- (i) An amount equal to the part of the proceeds of the bond issued to carry out approved projects is used to pay allowable costs of such projects; and
- (ii) To the extent the PFC revenue collected in any year exceeds the debt service and financing costs on such bonds during that year, an amount equal to the excess is applied as required by §158.39.
- (e) Exception providing for the use of PFC revenue to pay for debt service for non-eligible projects. The FAA may authorize a public agency under §158.18 to impose a PFC for payments for debt service on indebtedness incurred to carry out an airport project that is not eligible if the FAA determines that such use is necessary because of the financial need of the airport.
- (f) Combination of PFC revenue and Federal grant funds. A public agency may combine PFC revenue and airport grant funds to carry out an approved project. These projects are subject to the record keeping and auditing requirements of this part, as well as the reporting, record keeping and auditing requirements imposed by the Airport and Airway Improvement Act of 1982 (AAIA)
- (g) Non-Federal share. Public agencies may use PFC revenue to meet the non-Federal share of the cost of projects funded under the Federal airport grant program or the FAA "Program to Permit Cost-Sharing of Air Traffic Modernization Projects" under 49 U.S.C. 44517
- (h) Approval of project following approval to impose a PFC. The public agency may not use PFC revenue or interest earned thereon except on an approved project.

[Docket No. 26385, 56 FR 24278, May 29, 1991, as amended by Amdt. 158-4, 72 FR 28847, May 23, 2007]

§ 158.15 Project eligibility at PFC levels of \$1, \$2, or \$3.

- (a) To be eligible, a project must—
- (1) Preserve or enhance safety, security, or capacity of the national air transportation system;
- (2) Reduce noise or mitigate noise impacts resulting from an airport; or

- (3) Furnish opportunities for enhanced competition between or among air carriers.
- (b) Eligible projects are any of the following projects—
- (1) Airport development eligible under subchapter I of chapter 471 of 49 U.S.C.:
- (2) Airport planning eligible under subchapter I of chapter 471 of 49 U.S.C.;
- (3) Terminal development as described in 49 U.S.C. 47110(d);
- (4) Airport noise compatibility planning as described in 49 U.S.C. 47505;
- (5) Noise compatibility measures eligible for Federal assistance under 49 U.S.C. 47504, without regard to whether the measures are approved under 49 U.S.C. 47504;
- (6) Construction of gates and related areas at which passengers are enplaned or deplaned and other areas directly related to the movement of passengers and baggage in air commerce within the boundaries of the airport. These areas do not include restaurants, car rental and automobile parking facilities, or other concessions. Projects required to enable added air service by an air carrier with less than 50 percent of the annual passenger boardings at an airport have added eligibility. Such projects may include structural foundations and floor systems, exterior building walls and load-bearing interior columns or walls, windows, door and roof systems, building utilities (including heating, air conditioning, ventilation, plumbing, and electrical service), and aircraft fueling facilities next to the gate:
- (7) A project approved under the FAA's "Program to Permit Cost-Sharing of Air Traffic Modernization Projects" under 49 U.S.C. 44517; or
- (8) If the airport is in an air quality nonattainment area (as defined by section 171(2) of the Clean Air Act (42 U.S.C. 7501(2)) or a maintenance area referred to in section 175A of such Act (42 U.S.C. 7505a), and the project will result in the airport receiving appropriate emission credits as described in 49 U.S.C. 47139, a project for:
- (i) Converting vehicles eligible under §158.15(b)(1) and ground support equipment powered by a diesel or gasoline engine used at a commercial service

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airport to low-emission technology certified or verified by the Environmental Protection Agency to reduce emissions or to use cleaner burning conventional fuels: or

- (ii) Acquiring for use at a commercial service airport vehicles eligible under §158.15(b)(1) and, subject to §158.13(c), ground support equipment that include low-emission technology or use cleaner burning fuels.
- (c) An eligible project must be adequately justified to qualify for PFC funding.

[Doc. No. 26385, 56 FR 24278, May 29, 1991; 56 FR 37127, Aug. 2, 1991; Amdt. 158–2, 65 FR 34541, May 30, 2000; Amdt. 158–4, 72 FR 28848, May 23, 2007]

§ 158.17 Project eligibility at PFC levels of \$4 or \$4.50.

- (a) A project for any airport is eligible for PFC funding at levels of \$4 or \$4.50 if—
- (1) The project meets the eligibility requirements of § 158.15;
- (2) The project costs requested for collection at \$4 or \$4.50 cannot be paid for from funds reasonably expected to be available for the programs referred to in 49 U.S.C. 48103; and
- (3) In the case of a surface transportation or terminal project, the public agency has made adequate provision for financing the airside needs of the airport, including runways, taxiways, aprons, and aircraft gates.
- (b) In addition, a project for a medium or large airport is only eligible for PFC funding at levels of \$4 or \$4.50 if the project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport.

[Doc. No. FAA-2000-7402, 65 FR 34541, May 30, 20001

§ 158.18 Use of PFC revenue to pay for debt service for non-eligible projects.

(a) The FAA may authorize a public agency to impose a PFC to make payments for debt service on indebtedness incurred to carry out at the airport a project that is not eligible if the FAA determines it is necessary because of

the financial need of the airport. The FAA defines financial need in §158.3.

- (b) A public agency may request authority to impose a PFC and use PFC revenue under this section using the PFC application procedures in §158.25. The public agency must document its financial position and explain its financial recovery plan that uses all available resources.
- (c) The FAA reviews the application using the procedures in §158.27. The FAA will issue its decision on the public agency's request under §158.29.

[Doc. No. FAA–2006–23730, 72 FR 28848, May 23, 2007]

§ 158.19 Requirement for competition plans.

- (a) Beginning in fiscal year 2001, no public agency may impose a PFC with respect to a covered airport unless the public agency has submitted a written competition plan. This requirement does not apply to PFC authority approved prior to April 5, 2000.
- (b) The Administrator will review any plan submitted under paragraph (a) of this section to ensure that it meets the requirements of 49 U.S.C. 47106(f) and periodically will review its implementation to ensure that each covered airport successfully implements its plan.

[Doc. No. FAA–2000–7402, 65 FR 34541, May 30, 20001

Subpart B—Application and Approval

§158.20 Submission of required documents.

- (a) Letters and reports required by this part may be transmitted to the appropriate recipient (the public agency, air carrier, and/or the FAA) via e-mail, courier, facsimile, or U.S. Postal Service.
- (1) Documents sent electronically to the FAA must be prepared in a format readable by the FAA. Interested parties can obtain the format at their local FAA Airports Office.
- (2) Any transmission to FAA Headquarters, using regular U.S. Postal Service, is subject to inspection that may result in delay and damage due to the security process.